



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

CIVIL DIVISION

JAN 9 1969

Mr. Leverett Edwards, Chairman
National Mediation Board
Washington, D. C. 20572

Dear Mr. Edwards.

We have completed a review of travel expenses of the National Mediation Board (NMB), for the period July 1965 to May 1968, and of payrolls, travel expenses, and other financial transactions of the National Railroad Adjustment Board (NRAB) for the period February 1, 1964, through December 31, 1966. Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67). Our review consisted of an examination of selected transactions and, to the extent deemed necessary, an evaluation of agency regulations, procedures, and administration pertaining to these expenditures. The results of our review are presented below.

NATIONAL MEDIATION BOARD

In performing our review of travel expenses, we examined travel allowances paid to certain employees of the NMB during the period July 1965 to May 1968 to determine whether the allowances being paid NMB employees were in accordance with the requirements of the Standardized Government Travel Regulations (SGTR) and whether management controls in effect were adequate to insure proper administration of travel.

During our review we noted overpayments of \$1,441 resulting primarily from the use of personally owned automobiles on official business as opposed to common carriers, and reimbursement for travel expenses incurred for personal reasons.

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We also noted man-hours valued at \$1,795 which should properly have been charged to employees' leave due to excess travel time incurred in travel status for personal reasons. We discussed the deficiencies with members of your staff who revised the NMB's fiscal year 1967 travel orders to include requirements for following the provisions of the SGTR and to emphasize improved travel practices.

Subsequently, after allowing a reasonable period of time for the revised instructions to be implemented, we revisited NMB and inquired into the efficacy of the action taken. We noted no additional instances of these deficiencies.

Other matters which had not been resolved at the conclusion of our review are discussed below.

Changes in employees' official
duty stations would result in
reduced costs to the Government

In accordance with Comptroller General's decisions (31 Comp Gen 289; 32 id. 88), the authority of an agency to designate an employee's post of duty includes only the authority to designate the place where the employee is expected to spend the greater part of his time. Furthermore, the location of an employee's official duty station is to be established to meet the needs of the Government and not for the convenience of the employee. Our review disclosed that NMB has incurred substantial unnecessary costs for travel and per diem in lieu of subsistence because the official duty stations of several mediators of the NMB have been designated at their place of residence rather than at the place where they perform the greater part of their duties.

During our review we noted that the official duty stations of six mediators had been designated at their places of residence which were outside of the metropolitan area where they performed the majority of their work. The following schedule shows the comparative time spent by each of these employees at their official duty station and the temporary duty station where most of their duty was performed during the period December 1966 through May 1968. The schedule also shows the transportation and per diem expenses which would not have been incurred if the official duty station had been the location where the majority of work had been performed. For the purposes of this schedule, annual and sick leave taken, weekends spent at home, and isolated travel to other locations have been omitted.

<u>Employee</u>	<u>Official duty station</u>	<u>Temporary duty station</u>	<u>Days spent at</u>		<u>Amount of transportation expenses and per diem paid</u>
			<u>official duty station</u>	<u>temporary duty station</u>	
A	Cumberland, Md.	Washington, D. C.	19	190	\$ 3,223
B	Stony Brook, N. Y.	New York, N. Y.	42	260	4,565
C	Seaside Heights, N. J.	New York, N. Y.	46	169	3,215
D	Kings Park, N. Y.	New York, N. Y.	106	143	2,725
E	Moline, Ill.	Chicago, Ill.	80	186	3,940
F	Santa Barbara, Calif.	San Francisco, Calif.	<u>54</u>	<u>194</u>	<u>3,649</u>
			<u>347</u>	<u>1,142</u>	<u>\$21,317</u>

NMB officials informed us that the employees' residences were considered to be their official duty stations since the NMB has no regional offices to which these mediators can be assigned. We recognize that it would not be economical to establish regional offices. However, in view of the Comptroller General's decisions, we believe that the NMB should redesignate the official duty stations of these employees to duty stations where the employees spend the greater part of their time. The employees would then have the choice of relocating their place of residence or commuting to their place of employment at their own expense.

We discussed our conclusions with officials of NMB and were advised that it would be brought to your attention. We have not been advised whether you plan any action on this matter.

Recommendation

In view of the Comptroller General's decisions and the substantial savings that would accrue to NMB, we recommend that the official duty stations for the above employees be redesignated to the principal city where the employees spend the greater part of their time.

Need for more adequate justification of expenditures on travel vouchers

During our review we noted that, although the NMB has made improvements in their administration of travel, there are still some requirements of the SGTR which are not being consistently followed by all travelers. These deficiencies, which consist largely of failing to furnish adequate justification for certain types of expenditures, have precluded agency officials and the certifying officers from making an effective review of the travel vouchers.

The SGTR and Bureau of the Budget circulars governing official travel generally place limitations on the class of travel used for official business and the types of expenditures which are reimbursable

to the traveler. Any items appearing on the travel voucher which exceed the limitations or are of questionable nature should be adequately justified by the traveler.

On a number of vouchers that we examined, we noted the following expenditures which did not contain the required justification or explanation:

1. Use of first-class air and rail transportation instead of coach.
2. Use of taxicabs without showing that such use was advantageous to the Government.
3. Rental of hotel rooms for conferences instead of utilizing Government facilities.
4. Tips for baggage handling with no indication that the baggage contained Government material.
5. Use of commercially rented automobiles instead of utilizing General Services Administration vehicles.

In the examples noted during our review, the certifying officers approved the vouchers even though they did not contain adequate justification for the expenditures claimed. In this regard, your officials informed us that they agreed that additional justification for questionable expenditures should be required on the travel orders and that a general travel directive would be issued to correct existing weaknesses. They informed us also that the NMB has taken action to obtain Government drivers' licenses for its employees to reduce the need for car rentals. In view of the proposed corrective actions, we are making no recommendations at this time.

NATIONAL RAILROAD ADJUSTMENT BOARD

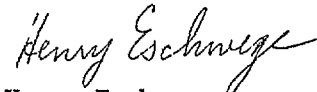
We have reviewed selected payrolls, travel expenses, and other financial transactions at NRAB for the period February 1, 1964, through December 31, 1966. Our examination was directed primarily toward reviewing the effectiveness of the certifying officers in carrying out their responsibilities and accordingly included tests and evaluations of the disbursement of funds and the related administrative procedures and controls. Since internal audits are not made by your agency, we were unable to limit the scope of our review. Program operations were not included in our review.

We are pleased to inform you that we found the administrative procedures and internal controls to be generally effective and that the selected financial transactions which we reviewed were processed in a satisfactory manner. Accordingly, the records of financial transactions processed by NRAB through June 30, 1966, may be transmitted to the Federal Records Center for storage in accordance with your approved records retention and disposal program.

We wish to acknowledge the cooperation which NMB and NRAB officials gave to our representatives during the review. Your comments and advice as to the action taken on the matters discussed in this report will be appreciated.

A copy of this letter is being sent to the Administrative Officer, NRAB.

Sincerely yours,



Henry Eschwege
Associate Director